



Colorado Recovery Watch

Dec. 20, 2010

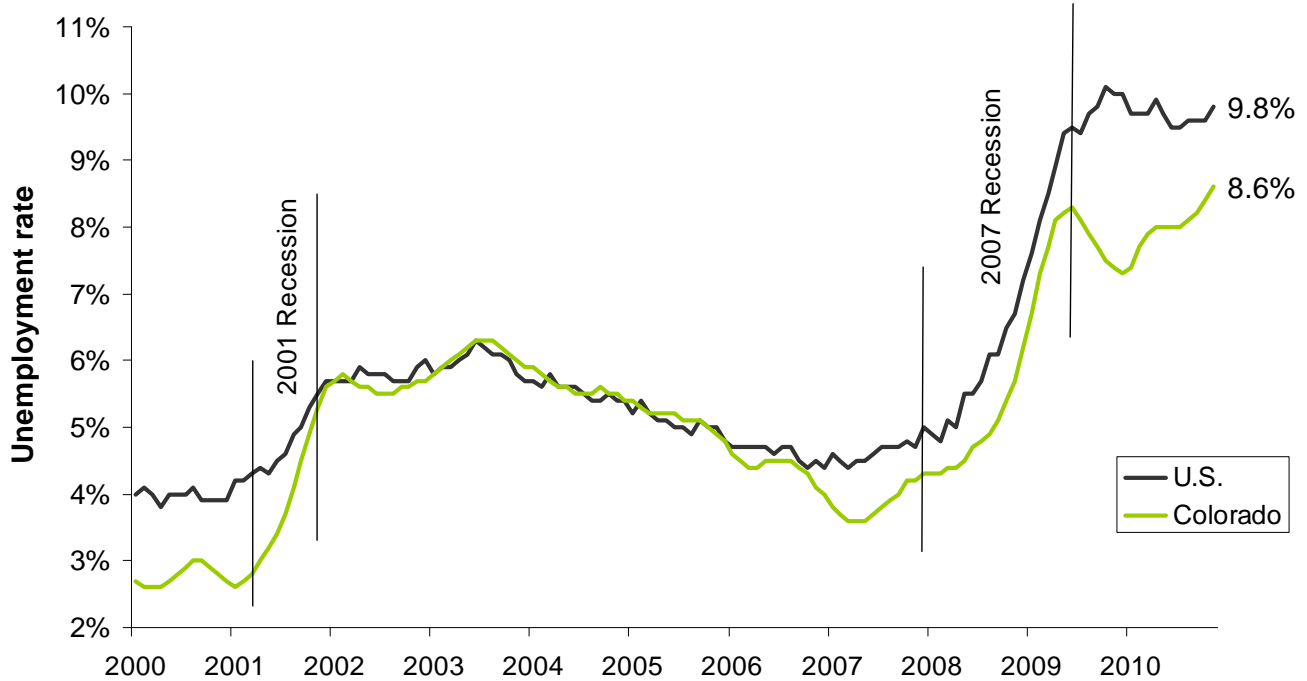
The national unemployment rate increased in November, again approaching double digits. In Colorado, several thousand more people held jobs, but that was not enough to slow the rise of the unemployment rate to its highest level in more than a quarter-century. Enrollment growth in state food and health assistance programs continued unabated.

Unemployment

In November, Colorado’s unemployment rate increased to 8.6 percent, the highest state unemployment rate in 27 years.ⁱ The national unemployment rate also increased, to 9.8 percent. (Figure 1) In Colorado, the unemployment rate ranks 24th highest compared to other states, and the increase in unemployment since the beginning of the downturn in December 2007 ranks 22nd largest.ⁱⁱ

Figure 1

Colorado unemployment up again after recession

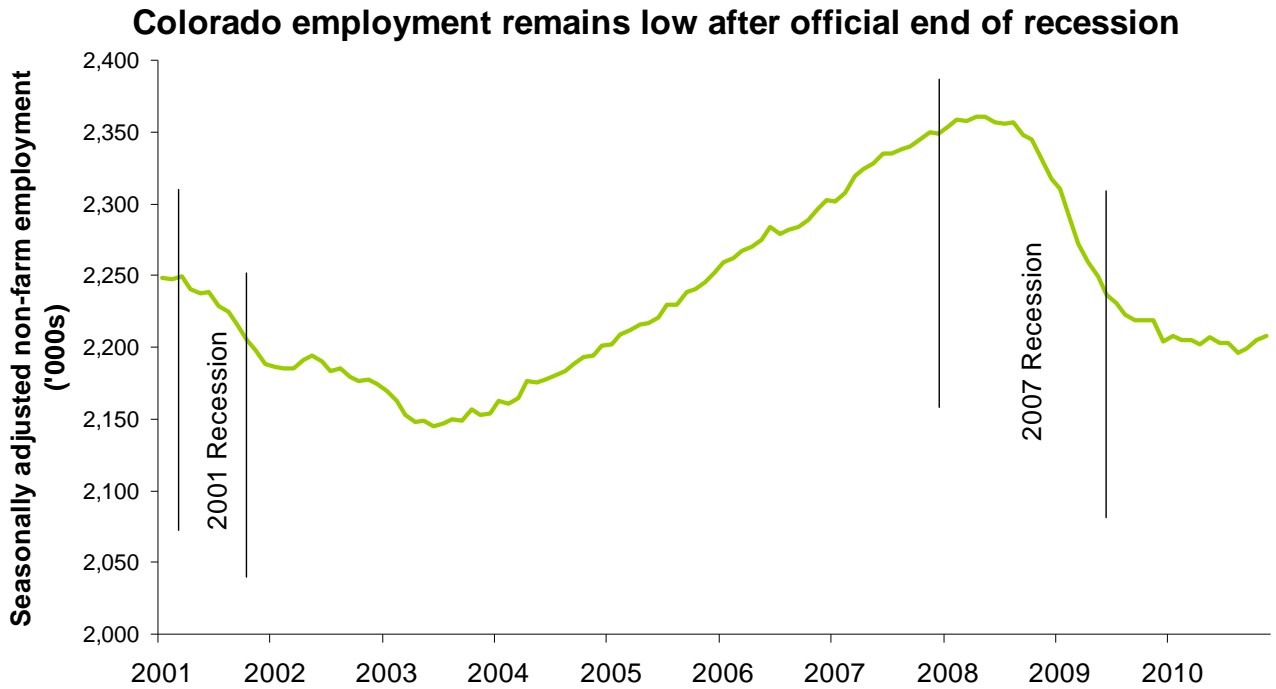


Source: U.S. Bureau of Labor Statistics (data through November 2010)

Employment

Recessionary employment losses in Colorado were dramatic, and low levels of employment have persisted well after the official end of the recession in June 2009. (Figure 2) Since the onset of the downturn (December 2007), Colorado has lost 140,900 jobs, or 6 percent of its nonfarm labor force. That loss ranks 18th worst in the country.ⁱⁱⁱ In November, Colorado gained jobs for the third straight month (an increase of 3,800), but not enough to stop rising unemployment.

Figure 2



Source: U.S. Bureau of Labor Statistics (data through November 2010)

Job shortfall

Job shortfall is a calculation to help put longer-term changes in employment into context. It measures the difference between actual employment and what employment would need to be to keep up with population growth — in essence how far behind population growth state employment has fallen during a downturn. Tracking from the onset of the recession in December 2007 to November 2010, the Colorado job shortfall stands at 264,905 jobs. (Figure 3)

A central concept of job shortfall is that if the unemployment rate is to remain constant or improve, the number of jobs must keep up with or outpace population growth. That concept helps in part to explain why last month the state’s unemployment rate rose to a historic high even while several thousand more Coloradans found jobs.^{iv}

Figure 3

COLORADO JOB SHORTFALL SINCE ONSET OF DOWNTURN (December 2007 to November 2010)	
Working-age population growth	5.3%
Employment this month	2,208,300
Employment level needed <i>(the total number of jobs in the state if job growth kept pace with working age population growth)</i>	2,473,205
Job shortfall	264,905

Source: Economic Policy Institute analysis of U.S. Bureau of Labor Statistics Current Employment Statistics Survey

Construction jobs

The construction sector was one of the hardest hit during the Great Recession, to date losing roughly one-third of total employment since the downturn began. (Figure 4) In November, Colorado construction employment increased by 1,000 jobs. (Figure 4)

Figure 4

COLORADO CONSTRUCTION EMPLOYMENT (November 2010)			
This month	112,200		
CHANGE	LEVEL AND PERCENTAGE CHANGE		TIME PERIOD
Since beginning of recession	-54,500	-32.7%	Dec.-07 to Nov.-10
Since last month	1,000	0.9%	Oct.-10 to Nov.-10
Last three months	2,900	2.7%	Aug.-10 to Nov.-10
Last six months	900	0.8%	May.-10 to Nov.-10
Last year	-9,400	-7.7%	Nov.-09 to Nov.-10

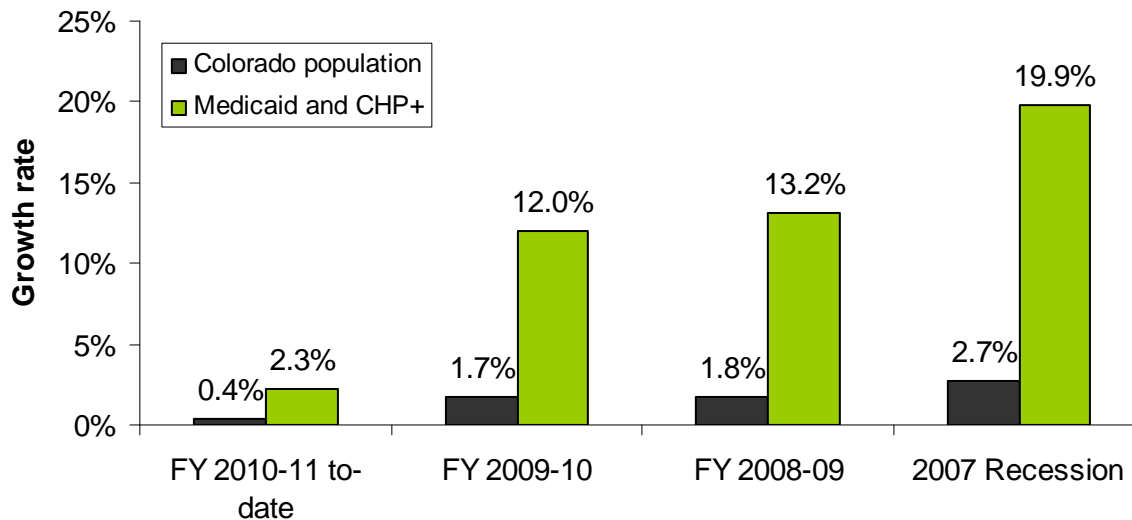
Source: Economic Policy Institute analysis of U.S. Bureau of Labor Statistics Current Employment Statistics Survey

Medicaid and CHP+

In recent years, Colorado has seen consistent and substantial caseload growth in Medicaid and the Child Health Plan Plus (CHP+), programs that provide medical care for low-income residents and children, respectively. Enrollment growth in those programs accelerated during the recession and continues to outpace population growth. (Figure 5) In the current fiscal year, total Medicaid and CHP+ enrollment has grown by 13,506 as of September (the latest count). The Medicaid and CHP+ programs now serve a total of 611,258 Coloradans.^v

Figure 5

Colorado combined Medicaid and CHP+ caseload growth dramatically outpaces population growth

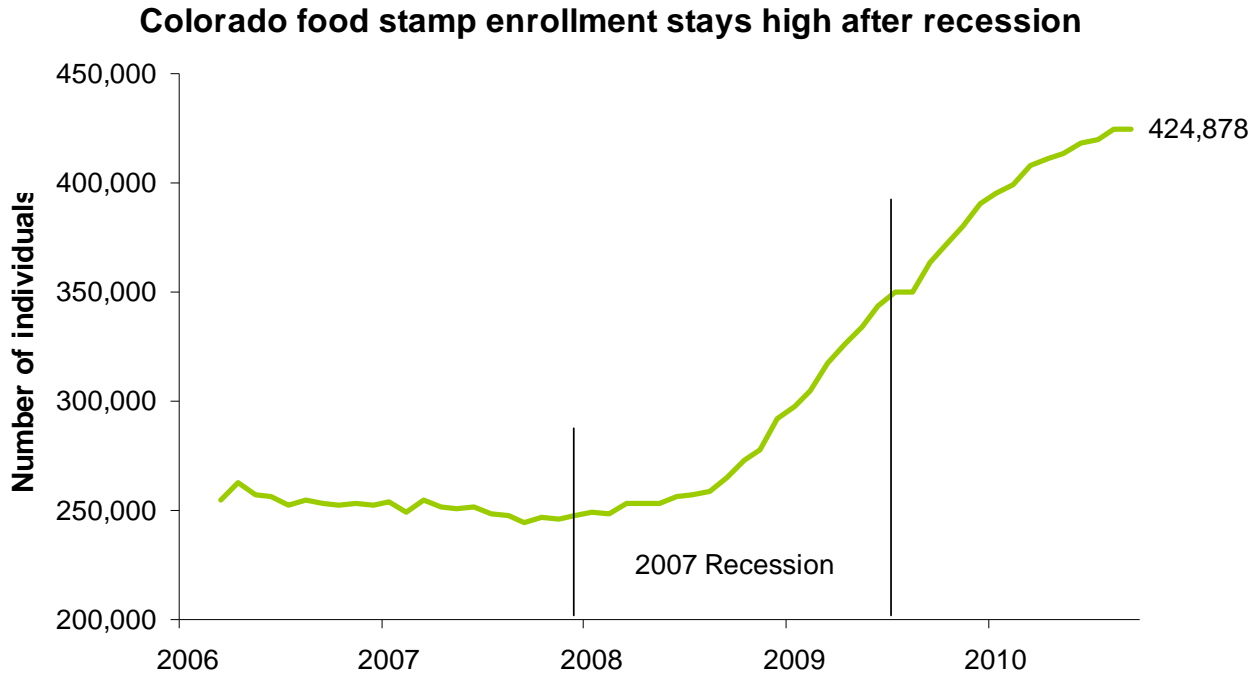


Source: Department of Health Care Policy and Financing; Colorado Legislative Council
The 2007 recession lasted from December 2007 to June 2009. Data are through September 2010.

Food assistance

The recession touched off a substantial need for the food assistance provided by the U.S. Department of Agriculture's Supplemental Nutritional Assistance Program (SNAP), formerly known as food stamps. That need has outlived the official duration of the Great Recession. According to the most recent count in September, 424,878 Coloradans receive food stamps. (Figure 6) September's count is up 564 individuals from August. This is a smaller than average monthly increase in enrollment, and it appears SNAP enrollment growth is slowing. (Figure 6) Overall, SNAP enrollment increased 71 percent since dramatic growth began with the onset of the recent recession.^{vi}

Figure 6



Source: Analysis of U.S. Department of Agriculture SNAP program data (through September 2010)

'Tis the season?

Colorado has now well surpassed its recessionary peak in unemployment, making its recovery look more like a relapse. Yet persistent, albeit weak job growth suggests the future is not as bleak as the unemployment picture might appear. One hopes the season of strong recovery is not far off.

Contact: Alec Harris
Policy analyst
aharris@cclponline.org
303-573-5669, ext. 316

ⁱ Since February 1983. Analysis of U.S. Bureau of Labor Statistics State and Local Area Unemployment data, Dec. 17, 2010.

ⁱⁱ Economic Policy Institute analysis of U.S. Bureau of Economic Analysis Current Employment Survey data.

ⁱⁱⁱ Economic Policy Institute analysis of U.S. Bureau of Economic Analysis Current Employment Survey data.

^{iv} Another key component is labor force dropout. Unemployed individuals who do not look for work are not counted in the unemployment rate. When conditions improve, individuals who had dropped out of the labor force often resume looking for jobs. If some of these people find work but even more look without success, the unemployment rate may go up even while employment increases as well.

^v Analysis of "Premiums, Expenditures and Caseload Report," *Colorado Department of Health Care Policy Financing*, October 2010 report.

^{vi} Analysis of U.S. Department of Agriculture SNAP program data, provided by: "SNAP/Food /Stamp Participation Data," *Food Research and Action Center*, Oct. 28, 2010.